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**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF UTAH**

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OVERSTOCK.COM, INC., a Delaware  
corporation,

Plaintiff,

vs.

NOMORERACK.COM, INC., a Delaware  
corporation;

Defendant.

Case No. 2:13-cv-01095-PMW

**COMPLAINT**

Magistrate Judge Paul M. Warner

**(Jury Demanded)**

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Plaintiff Overstock.com, Inc. (“Overstock” or “Plaintiff”), by and through its undersigned counsel, files this Complaint for trademark infringement and unfair competition, and seeks a preliminary injunction, a permanent injunction, and damages against Defendant Nomorerack.com (“Nomorerack” or “Defendant”), and alleges as follows:

### **NATURE OF THE CASE**

1. This is a civil action under the Trademark Laws of the United States, 15 U.S.C. § 1051 *et seq.*, for trademark infringement pursuant to § 32 and § 43(a) of the Trademark Act of 1946 (the Lanham Act), as amended, 15 U.S.C. §§ 1114 and 1125(c), and for common law trademark and trade dress infringement.

### **PARTIES**

2. Overstock is a Delaware corporation with corporate offices located at 6322 South 3000 East, Suite 100, Salt Lake City, Utah, 84121.

3. Upon information and belief, Nomorerack is a corporation registered in Delaware with its principal place of business at its offices at 381 Park Avenue South, 4<sup>th</sup> Floor, New York, New York, 10016.

### **JURISDICTION AND VENUE**

4. This action arises under the trademark laws of the United States, 15 U.S.C. § 1051 *et seq.* The Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1338.

5. This Court has personal jurisdiction over Defendant because Defendant has committed acts of trademark and trade dress infringement in the State of Utah and, upon information and belief, has and continues to transact business in this state.



6. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b).

## **GENERAL ALLEGATIONS**

### **Overstock.com's Trademarks and Business**

7. Overstock is one of the largest and most well-known online discount retailers in the United States, and has been in business since 1999. Overstock sells a broad range of products, including furniture, rugs, bedding, electronics, clothing, and jewelry through its websites. Overstock is recognized for providing quality products at great prices to its customers, and for providing outstanding customer service.

8. Overstock owns numerous federally registered trademarks and services marks comprising the term OVERSTOCK.COM (“the OVERSTOCK Marks”) issued by the United States Patent and Trademark Office, as well as all of the business and goodwill represented thereby, including the following:

<b>Mark</b>	<b>Reg. No.</b>	<b>Registration Date</b>	<b>Goods and Services</b>
	4,033,193	August 24, 2010	On-line wholesale and retail store services featuring general consumer merchandise, in class 35
	4,027,787	September 20, 2011	Promoting the goods and services of others by means of the issuance of loyalty rewards cards which provide discounts on online purchases, in class 35
OVERSTOCK.COM	2,939,764	April 12, 2005	Online wholesale and retail store services featuring general consumer merchandise, namely, clothing, shoes, bath and body products, jewelry, electronics, cookware, housewares, appliances, furniture, linens, pillows, decorative

			accessories, office furniture and accessories, toys, games, sporting goods, tools, outdoor lawn and garden equipment, pet supplies and paper products, in class 35
OVERSTOCK.COM	2,503,246	October 30, 2001	Online wholesale and retail store services featuring general merchandise, in class 35
OVERSTOCK.COM AUCTIONS	4,218,453	October 2, 2012	On-line auction services, in class 35
OVERSTOCK.COM YOUR ONLINE OUTLET	3,069,011	March 14, 2006	Online wholesale and retail discount store services in the field of general consumer merchandise, in class 35
OVERSTOCK.COM PRICE	3,693,465	October 6, 2009	Online wholesale and retail discount store services in the field of general consumer merchandise, in class 35
OVERSTOCK.COM PRICES	3,693,464	October 6, 2009	Online wholesale and retail discount store services in the field of general consumer merchandise, in class 35
OVERSTOCK.COM IT'S ALL ABOUT THE PRICE	3,693,463	October 6, 2009	Online wholesale and retail discount store services in the field of general consumer merchandise, in class 35
OVERSTOCK.COM IT'S ALL ABOUT THE PRICES	3,693,462	October 6, 2009	Online wholesale and retail discount store services in the field of general consumer merchandise, in class 35
LIVE BETTER WITH OVERSTOCK.COM	3,728,854	December 22, 2009	Online wholesale and retail store services featuring general consumer merchandise, in class 35
OVERSTOCK.COM CARS	3,676,884	September 1, 2009	Providing information about vehicles for sale via a global communications network, namely, providing information about vehicles for sale, vehicle specifications, vehicle selection, vehicle availability vehicle pricing, vehicle comparisons, and providing photographs of vehicles;

			advertising services, including providing advertising for the sale, lease and financing of vehicles including the advertising of vehicle prices and features via a global computer network; providing computerized online ordering services for others featuring vehicles and transportation-related goods and services including vehicle parts, vehicle accessories, and repair services, in class 35
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True and correct copies of the above cited Registrations are attached hereto as **Exhibit A**.

9. Since as early as 1999, Overstock has been using the OVERSTOCK Marks in commerce in the United States and in many foreign countries.

10. The OVERSTOCK Marks are valid and subsisting, unrevoked, and uncanceled. The registrations for OVERSTOCK.COM (U.S. Reg. No. 2,939,764) and OVERSTOCK.COM YOUR ONLINE OUTLET (U.S. Reg. No. 3,069,011) are incontestable under 15 U.S.C. §§ 1065 and 1115.

11. In addition, Overstock has a unique trade dress that it has used continuously for many years (“OVERSTOCK Trade Dress”). Overstock’s trade dress is comprised in relevant part of the color red as a primary accent color, including for example as the red square background for the “O” in Overstock, and in rectangular red banners in key conspicuous locations on its website.

12. This color scheme and overall image is of such an unusual design that a customer would immediately rely on it to differentiate the source of the goods and services. In addition, the color scheme and overall image have been used in interstate and intrastate commerce and in

connection with the advertising, promotion, offering, and provision of Overstock's products and services consistently and continuously long prior to the acts of Defendant herein alleged.

13. Overstock has widely and extensively advertised, promoted, and sold its services under the OVERSTOCK Marks and Trade Dress through various means, including but not limited to, Internet-based advertising, the Overstock.com website, television, radio, and print media.

14. Overstock has invested tens of millions of dollars into its promotion of the OVERSTOCK Marks and Trade Dress and is one of the most prominent and well-known, Internet-based, e-commerce brands in the United States.

15. Overstock's annual sales have increased every year since 1999. Overstock's revenue in 1999 was approximately \$1.8 million, and has grown to nearly \$1.1 billion in 2012. Overstock.com presently offers more than one million products on its websites.

16. Overstock is a publicly traded company listed on the NASDAQ Global Market System that employs nearly 1,300 people.

17. The consuming public and the trade have come to recognize the OVERSTOCK Marks and Trade Dress, and to recognize the OVERSTOCK Marks and Trade Dress as a source of Overstock's services.

18. Overstock derives substantial goodwill and value from its use of the OVERSTOCK Marks and Trade Dress.

19. Overstock has received numerous accolades and awards over the years. For example, Overstock was named the 2012 Compuware Best of the Web Gold award winner in the Retail Product Order Transaction category and a Silver award winner in the Retail-Last Mile

category. Overstock also earned the No. 4 spot in the customer service rankings among all U.S. retailers by the National Retail Federation/American Express Customer Choice Awards for 2011; and was awarded a Gold Stevie Award for Company of the Year-Retail at the Tenth Annual American Business Awards in 2012. In December 2010, Overstock was ranked No. 1 in employee satisfaction in a Glassdoor.com survey commissioned by Forbes. A recent Nielsen State of the Media: Consumer Usage Report placed Overstock among the top five most visited mass merchandiser websites.

**Nomorerack Business Model and Wrongful Acts**

20. Upon information and belief, Nomorerack owns and maintains www.nomorerack.com, an online website that has been operating in the United States since 2011 and sells a wide variety of discounted consumer goods to individual consumers exclusively through its website.

21. Nomorerack competes directly with Overstock as an Internet-based discount retailer.

22. Nomorerack has a “D-” rating with the Better Business Bureau of New York, where Nomorerack has its headquarters, and has been the subject of at least 1,301 complaints closed by the Better Business Bureau of New York in the past twelve months, including advertising/sales issues; billing/collection issues; delivery issues; guarantee/warranty issues; and problems with products/service.

23. Notwithstanding Overstock’s well-established rights in and the strength of the OVERSTOCK Marks and Trade Dress, Nomorerack and/or its agents have been using the

OVERSTOCK Marks and Trade Dress, or marks confusingly similar thereto, in conjunction with the advertising and promotion of Nomorerack's competing website.

24. Upon information and belief, Nomorerack's Internet advertising strategies and techniques are, in part, targeted specifically at Overstock.com's customers.

25. Upon information and belief, Nomorerack is purchasing the terms "OVERSTOCK" and "OVERSTOCK.COM" as advertising keywords as part of its Internet-based advertising efforts.

26. In addition, upon information and belief, Nomorerack is purchasing data regarding the Internet activity of individual consumers to identify targets for its advertisements, including individual consumers that have visited Overstock.com's websites. Upon information and belief, Nomorerack is using this data to send targeted, customized, and misleading advertisements for its own products directly to customers of Overstock.com.

27. At least as early as February 2012, Nomorerack began promoting its discounted consumer goods through Internet-based advertisements that featured the term "OVERSTOCK" prominently at the top of the advertisements, using a font nearly identical to that used by Overstock, with phrases such as "OVERSTOCK CLEARANCE" and "Overstock iPads."

28. On or before November 2013, Nomorerack continued its use of the term "Overstock" prominently in its Internet advertisements, and added a rectangular red banner as part of its usage. For example, an advertisement on November 2, 2013, Nomorerack included a heading at the top of the ad stating "OVERSTOCK CLEARANCE" that was surrounded by a red banner, and employed a font very similar to that used by Overstock.



29. In these advertisements and others displayed on the Internet, Nomorerack intentionally and regularly capitalizes “Overstock” as though it was a proper noun to foster additional confusion with the Overstock.com brand. Nomorerack also employed keyword advertising and other methods to direct the misleading advertisements described above to individuals searching for Overstock on the Internet and/or who had recently visited Overstock’s websites.

30. On February 24, 2012 and November 5, 2013, Overstock sent letters addressed to Nomorerack informing it of the OVERSTOCK Marks and Trade Dress, explaining its belief that Nomorerack’s actions were likely to cause confusion in the marketplace, and asking Nomorerack to cease its use of the term “OVERSTOCK” in its advertisements. True and correct copies of the letters are attached hereto as **Exhibit B**.

31. Nomorerack never responded to either of the letters sent by Overstock.

32. Defendant’s unlawful use of the OVERSTOCK Marks and Trade Dress is likely to cause and has caused actual confusion in the marketplace among consumers.

33. Defendant’s unauthorized use of the OVERSTOCK Marks and Trade Dress is likely to cause confusion (and has actually caused confusion), deceive, and mislead the consuming public as to the source, origin, or sponsorship of the goods and services offered by Nomorerack. Defendant’s actions are likely to cause confusion (and have actually caused confusion), deceive, or mislead the consuming public into believing that the services offered by Nomorerack originate from Plaintiff or that there is some connection between Plaintiff and Nomorerack, thereby causing Plaintiff irreparable harm.

34. Plaintiff's and Nomorerack's services are highly similar and move through comparable or identical channels of trade to similar or identical classes of consumers. Indeed, Defendant, upon information and belief, is taking unfair advantage of the market and customers cultivated and properly serviced by Overstock.

35. Defendant has willingly and knowingly violated and infringed the rights of Plaintiff in its OVERSTOCK Marks and Trade Dress, with the intention of causing confusion, deceiving, or misleading customers, and Defendant has wrongfully traded on the goodwill and reputation of Plaintiff.

36. Defendant's conduct and practices have caused, and will continue to cause, irreparable harm for which there is no adequate remedy at law, and for which Plaintiff is entitled to injunctive relief and damages.

37. Defendant's acts as alleged above are without license or consent of Plaintiff.

**COUNT I**  
**Trademark Infringement (15 U.S.C. § 1114)**

38. Plaintiff incorporates herein by reference the allegations contained in the above paragraphs as if fully set forth herein.

39. Defendant's unauthorized use of the OVERSTOCK Marks, or marks confusingly similar thereto, is likely to cause confusion, deceive, and mislead consumers as to the origin, sponsorship, and/or nature of Nomorerack's services.

40. Defendant's unauthorized use of the OVERSTOCK Marks constitutes infringement of Overstock's rights in and to the OVERSTOCK Marks in violation of 15 U.S.C. § 1114.

41. As a result of Defendant's unlawful activities, Nomorerack has received or will receive substantial profits to which it is not entitled. Overstock has suffered and, unless Defendant is enjoined from further acts of infringement, Overstock will continue to suffer monetary damages, including lost profits and impairment of the value of Plaintiff's OVERSTOCK Marks.

42. Defendant has acted as described herein with full knowledge of Overstock's rights and with the intention to usurp such rights. The aforementioned acts of Defendant are therefore intentional and willful, and were calculated to cause confusion, to deceive, and to mislead the consuming public. As a result, Defendant should be held liable to Overstock for treble damages and attorney's fees pursuant to 15 U.S.C. § 1117.

43. Overstock has suffered, is suffering, and will continue to suffer irreparable injury for which it has no adequate remedy at law.

44. Overstock is entitled to a preliminary injunction to be made permanent upon entry of final judgment, preventing Defendant's further infringement.

**COUNT II**  
**Federal Unfair Competition (15 U.S.C. § 1125(a))**

45. Plaintiff incorporates herein by reference the allegations contained in the above paragraphs as if fully set forth herein.

46. By using the OVERSTOCK Marks and Trade Dress to offer, advertise, and promote its services in commerce and the other actions described herein, Nomorerack and/or its agents have used in connection with Nomorerack's services a false designation of origin, or a false or misleading description or representation of fact, which is likely to cause confusion,

deceive, and mislead the consuming public into believing that the services offered by Nomorerack are sponsored by, approved by, originate with, or are affiliated with Overstock.

47. Defendant's actions, as set forth above, constitute unfair competition, false designation of origin, and false description in violation of 15 U.S.C. § 1125(a).

48. Defendant's acts have been willful and in conscious disregard of the trademark rights of Overstock.

49. Overstock has suffered, is suffering, and will continue to suffer irreparable injury for which it has no adequate remedy at law.

50. Overstock is entitled to a preliminary injunction to be made permanent upon entry of final judgment, preventing Defendant's further infringement.

51. Further, Overstock is entitled to damages and in amounts to be proven at trial.

**COUNT III**  
**Common Law Trademark Infringement and Unfair Competition**

52. Plaintiff incorporates herein by reference the allegations contained in the above paragraphs as if fully set forth herein.

53. As a result of the association by the public of Plaintiff's OVERSTOCK Marks and Trade Dress with Plaintiff and its services, the use by Defendant of the OVERSTOCK Marks and Trade Dress in connection with Nomorerack's operations, promotional efforts, and services is likely to cause confusion, deceive, and mislead.

54. Defendant has utilized the OVERSTOCK Marks and Trade Dress with full prior knowledge of Plaintiff's rights in and to the OVERSTOCK Marks and Trade Dress, and Defendant's use of the OVERSTOCK Marks and Trade Dress was and is for the willful and

calculated purpose of trading on Overstock's goodwill and business reputation as embodied in and symbolized by Plaintiff's OVERSTOCK Marks and Trade Dress.

55. Defendant has marketed Nomorerack's products and services in such a manner so as to inevitably suggest an association, affiliation, sponsorship with, or approval by, Plaintiff.

56. Defendant's acts have caused, or are likely to cause, confusion, to deceive, and to mislead the consuming public as to the origin or sponsorship of the goods provided, all to the profit of Defendant and to Plaintiff's detriment.

57. Defendant's conduct constitutes infringement of Plaintiff's common-law rights in and to Plaintiff's OVERSTOCK Marks and Trade Dress, and further constitutes common law unfair competition with Plaintiff.

58. As a direct and proximate result of Nomorerack and/or its agents' conduct, Overstock has suffered irreparable harm and is entitled to injunctive relief. In addition, Overstock is entitled to money damages, the amount of which will be established at trial.

#### **PRAYER FOR RELIEF**

WHEREFORE, Overstock prays for judgment as follows:

1. That Defendant and its officers, agents, servants, employees, attorneys, and all persons in active concert or participating with any of them be preliminarily and thereafter permanently enjoined from using, in connection with their business affairs, the OVERSTOCK Marks or anything which so resembles the OVERSTOCK Marks so as to be likely to cause confusion, deception, or mistake, including, but not limited to, using the term "Overstock" in conjunction with any of its operations, including on any of its mass e-mails, advertising, or promotional materials, as previously described herein;

2. That Defendant be ordered to deliver up for destruction any and all materials in its possession, control or custody, including but not limited to, signs, packaging, forms, advertisements, business cards, letterheads, circulars, boxes, and/or other representations and means for producing the same, whether in hard copy or electronic media, that make reference to or use any designation or mark that is confusingly similar to the OVERSTOCK Marks;

3. That Defendant be required to account for and pay to Plaintiff three times all gains, profits, and advantages derived by Defendant from the trademark infringement and unfair competition described herein;

4. An award of damages pursuant to 15 U.S.C. § 1117(a), including Defendant's profits, damages sustained by Overstock, and costs of the action;

5. An award pursuant to 15 U.S.C. § 1117(b) of three times Defendant's profits as enhanced damages;

6. For a finding this is an exceptional case pursuant to the Lanham Act and an award of reasonable attorney fees;

7. Reasonable attorney fees, investigatory fees and expenses, together with prejudgment interest; and

8. Such other and further relief as this Court may deem just and equitable.

### **JURY DEMAND**

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, Plaintiff demands a trial by jury of any issue so triable.

DATED this 12th day of December, 2013.

PARSONS BEHLE & LATIMER

By /s/ Juliette P. White

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## General Information

<b>Court</b>	United States District Court for the District of Utah
<b>Nature of Suit</b>	Property Rights: Trademark
<b>Docket Number</b>	2:13-cv-01095